

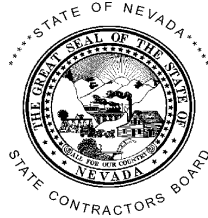
KENNY C. GUINN
Governor

STATE OF NEVADA

REPLY TO:

MEMBERS

KIM W. GREGORY
Chairman
DOUG CARSON
DENNIS K. JOHNSON
JOHN LINDELL
DENNIS F. NELSON
DEBORAH WINNINGHAM SHELTRA
MICHAEL ZECH



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STATE CONTRACTORS' BOARD

MINUTES OF THE MEETING
APRIL 27, 1999

The meeting of the State Contractors' Board was called to order by Chairman Kim Gregory at 8:40 a.m., Tuesday, April 27, 1999, State Contractors' Board, Las Vegas, Nevada. Exhibit A is the Meeting Agenda and Exhibit B is the Sign In Log.

BOARD MEMBERS PRESENT:

Mr. Kim Gregory – Chairman (Exited the meeting at 3:50 p.m.)
Mr. Dennis Johnson – Vice-Chairman

Mr. Doug Carson
Mr. John Lindell
Ms. Deborah Sheltra
Mr. Michael Zech (Exited the meeting at 11:20 a.m.)

BOARD MEMBERS ABSENT:

Mr. Dennis Nelson

STAFF MEMBERS PRESENT:

Ms. Margi Grein, Executive Officer
Mr. Robert Griffy, Legal Counsel (Haney, Woloson & Mullins)
Mr. Dennis Haney, Legal Counsel (Haney, Woloson & Mullins) (Exited at 2:30 p.m.)
Ms. Nancy Mathias, Licensing Administrator
Ms. Pat Potter, Licensing Supervisor
Mr. Rick Bertuzzi, Director of Investigations, Las Vegas
Mr. George Lyford, Director of Special Investigations Unit (SIU)
Mr. Bill Rizzo, Director of Investigations, Reno
Mr. Linc Dante, Investigator
Mr. Clark Thomas, Investigator
Mr. Bruce Yarborough, Investigator
Ms. Betty Wills, Recording Secretary

OTHERS PRESENT:

Cari Inkenbrandt, Court Reporter, CSR Associates of Nevada; Ray Cnihfield, Owner, Amber Pools & Spas; Marcus Roe, Owner, Roe and Associates Construction Co.; Michael Rodriguez, Member, Vision Development Consultants LLC; David Coates, President, Coates, President, Coates Painting Company Inc.; Darin Edward Bennett, Owner, Bennett Builders; Kenneth Wayne Smith, Partner, Majestic Tile; Daniel Alan Hord, Owner, Curb Rite; Steve Apodaca, Owner, Premiere Landscape & Maint Co.; Joe Jaramillo, Qualified Employee (QE), Premiere Landscape & Maint Co.; Keith Gregory, Legal Counsel, X L A Group; Don Ogden, Denko Drywall; Fred Cabara, Denko Drywall; Complainants: Thomas Hunt, Nick Speranza, Marc Durand, and Kfir Levy; William Heaton, Legal Counsel, Rhodes Homes; Jim Rhodes, President, Rhodes Homes; Rob Beville, Chief Financial Officer, Rhodes Homes; Don Purdue, Customer Service Representative, Rhodes Homes; Mark Thomas, President, Thomas Plumbing, Sewer & Drain; Allen Thomas, Thomas Plumbing, Sewer & Drain; Complainants: Janice Nobliski and Vilma Bartolome; Beth Roberts; Leroy Ches; Jim Shadrick, Code Enforcement Officer, Las Vegas Building Department; Jasbal Sidhu; James Guesman, Attorney for Thomas Plumbing; Mike Stewart, Mike Stewart Concrete; Complainants: Frank and Aleena Okamura, Elizabeth Ann Baker, Mark and Ruth Hammerschmidt, Laurence Vieths, Salvatore and Georgina Gregorio, and Frank Garcia; Lee Gordy, QE, Maxim

Electrical Contractors Inc.; Jonathan E. King, President, Maxim Electrical Contractors Inc.; and Stanley Perry, Attorney, Maxim Electrical Contractors Inc.

Ms. Grein stated the agenda had been posted in compliance with the open meeting law on April 21, 1999 at the Sawyer State Building, Clark County Library, Las Vegas City Hall, the Internet, and in each office of the Board, Las Vegas and Reno.

Mr. Gregory called for a motion to approve the minutes of April 13, 1999.

MR. CARSON MOVED TO APPROVE THE MINUTES OF APRIL 13, 1999.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

The amended agenda consisted of 37 items, each of an emergency nature, and a proposed consent settlement agreement from the Enforcement Advisory Committee on Cox Communications.

MR. JOHNSON MOVED TO HEAR THE AMENDED AGENDA.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

Rick Bertuzzi was introduced to the Board as the new Director of Investigations, Las Vegas, replacing Thomas Knapp.

ENFORCEMENT ADVISORY COMMITTEE

COX COMMUNICATIONS – PROPOSED SETTLEMENT AGREEMENT

The Board reviewed the proposed settlement agreement and discussion ensued.

MR. ZECH MOVED TO APPROVE THE SETTLEMENT AGREEMENT.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

The license application for Cox Communications was then approved in conjunction with the settlement agreement. Nelson Mauer and Richard Green were present and informed the license had been approved as a C2D & E, unlimited limit, with a \$50,000 bond, contingent upon the company correcting the corporate indemnification document and resolution.

The following motion closed the meeting to the public.

MR. LINDELL MOVED TO CLOSE THE MEETING TO THE PUBLIC.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

The meeting was then closed to the public pursuant to NRS 241.030 to discuss financial and other data, which is confidential under NRS 624.110 (2).

APPLICATIONS

THE DRYWALL COMPANY #37444 – ONE TIME RAISE IN LIMIT, RECONSIDERATION

Jerome D. Woolrich, Owner, was present and notified the one time raise in limit had been approved for \$700,000, payment and performance bonds if required.

AMBER POOLS & SPAS (A10 – Commercial & Residential Pools) NEW APPLICATION, RECONSIDERATION, BOARD MEETING

Ray Crihfield, Owner, was present and explained the circumstances surrounding a 1997 bankruptcy. He stated that none of his customers in California had been affected by his personal financial difficulties. Every job had been completed and if there was a supplier named in the bankruptcy it was regarding disputed amounts. It was pointed out to him that the bankruptcy indicated \$28,000 had been charged off to suppliers. Mr. Crihfield said he was not aware of what that amount represented. There had been only one complaint filed against his California license and that complaint had been corrected immediately. His license had not been affected by the bankruptcy, but it was currently inactive. He planned to build vinyl pools in Pahrump. He had a retail store where he sold swimming pools, spas and gazebos. He had no intention of building concrete pools. The largest job he intended to perform was for \$15,000 but he asked for a \$20,000 limit. He didn't believe he would have a problem acquiring a bond.

MR. JOHNSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$20,000 AND A \$20,000 BOND.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

ROE AND ASSOCIATES CONSTRUCTION CO (B2 – Residential & Small Commercial) NEW APPLICATION, BOARD DECISION

Marcus Roe, Owner, was present to answer questions regarding the events surrounding his California license. Mr. Roe explained that after he had left California, a client he had performed work for had filed a civil action against him. As he was out-of-state, his bond had been seized. When he learned of what had occurred, he repaid the bond. He said he was repaying it now through Consumer Credit Account & Service. His license had also been revoked when the bond was seized. He had not received notification to that effect. Before coming to Nevada he had been living in Durango, Colorado, and working as a contractor. No contractor's license was required there. The tax lien had not followed him but he was paying it now. He intended to perform remodeling or residential home construction.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION WITH A LIMIT OF \$250,000 AND A \$20,000 BOND.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

VISION DEVELOPMENT CONSULTANTS LLC (B2 – Residential & Small Commercial) NEW APPLICATION, RECONSIDERATION, BOARD DECISION

Michael Rodriguez, Member, detailed his past history. He started building homes when he was in his middle twenties and ventured into commercial development. Both the commercial development and his construction business collapsed and wiped him out. He had filed bankruptcy and wrote off many of his open accounts. He attributed his failure in the commercial development to youth and a lack of experience. He said he had learned from that endeavor and believed he was in a better position to succeed. He intended to build custom homes. The largest contract he intended to perform ranged between \$250,000 and \$300,000.

MR. CARSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A LICENSE LIMIT OF \$300,000 AND A \$30,000.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

AMERICAN RESIDENTIAL SERVICES INC. (C21 – Refrigeration & Air Conditioning) NEW APPLICATION, NAME SIMILARITY

Ed Lubbers, Legal Counsel, was present and informed the license had been approved with a license limit of \$100,000, and a \$10,000 Bond, waive the 30 days, no name change required.

COATES PAINTING COMPANY INC (C4A,B,C,E,H – Painting, Wall covering, Taping & Finishing; Drywall, Urethane Coatings) NEW APPLICATION

David Coates, President, was present and informed the Board his intent was to switch from a sole proprietorship to a corporation. He said he had 21 years of contracting experience with no blemishes on his record. He had hoped his experience would offset some of the financial requirement for the \$250,000 limit that he had requested. The Board discussed the indemnification process with Mr. Coates and Mr. Coates commented that indemnification was probably the avenue the corporation would pursue.

MR. CARSON MOVED TO TABLE THE LICENSE APPLICATION FOR NEW FINANCIAL INFORMATION, AND THE POSSIBILITY OF INDEMNIFICATION.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

SURELINE STRIPING & SIGNAGE INC. (A8 – Seal/Strip Asphaltic Surfaces) NEW APPLICATION, RECONSIDERATION

Bruce Yarborough, Investigator, told the Board a complaint had surfaced in the last Las Vegas meeting regarding this application. All issues had been investigated and resolved. Donna Egan, President, was present and informed the license application had been approved with a limit of \$350,000 and a \$20,000 bond.

ROY ALLEN WRIGHT (B2 – Residential & Small Commercial) NEW APPLICATION, RECONSIDERATION

Roy A. Wright, Owner was present and notified the license application had been approved with a license limit of \$250,000 And a \$15,000 Bond.

The following applications were reviewed and discussion occurred on the following: Nos. 3-5, 7, 9-12, 19-20, 23, 29-31, 35-36, 38, 40-41, 44, 46, 50, 62, 66, 68-69, 71, 77, 88-97, 99, 101, 108, 113, 115-119, 123-124, 131, 133-135, 140 and 142. The Amended Agenda was postponed until later in the day.

MR. CARSON MOVED TO REOPEN THE MEETING TO THE PUBLIC.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

ADVISORY OPINION

NU EQUIPMENT INC. #44349 – LICENSE REQUIREMENT

No one was present for the advisory opinion. The licensee was questioning if a special ty license was required to spray simulated desert varnish on concrete structures & back fill boulders on a project for Clark County Regional Flood Control. The Board opined that the licensee could perform the work with its full A license classification.

APPLICATION HEARINGS

BENNETT BUILDERS (B2 – Residential & Small Commercial) APPLICATION HEARING

Darin Edward Bennett, Owner, was sworn in. The hearing was for possible violation of NRS 624.263, financial responsibility. The hearing notice was entered into the record as EXHIBIT 1 and Mr. Bennett signed the stipulation.

Ms. Potter stated the application for licensure had been made denied for financial responsibility. Mr. Bennett had filed a Chapter 13 bankruptcy, which was currently pending. The plan of reorganization required payments of \$341 per month for a period of 56 months commencing on August 15, 1998. The trustee had stated that as of November 23, 1998, Mr. Bennett was delinquent one month. The applicant had been directed to provide a new financial statement and bank confirmation form. The items had not been received. Ms. Potter asked Mr. Bennett if he had the items with him and proof he was current with the reorganization plan. Mr. Bennett answered yes and provided Ms. Potter with the financial information. He said the trustee would not provide him with anything in writing, but all payments were current.

A financial review then ensued wherein Mr. Bennett detailed what type of work he intended to do and he explained the reason for the bankruptcy.

MR. JOHNSON MOVED TO TABLE THE APPLICATION FOR UP TO 60 DAYS FOR A NEW FINANCIAL STATEMENT OR INDEMNIFICATION. THEREAFTER, THE LICENSE APPLICATION WOULD BE DENIED.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED

MAJESTIC TILE (C20 – Tiling) APPLICATION HEARING

The hearing was for possible violation of NRS 624.263, financial responsibility of applicant or licensee. The hearing notice was entered into the record as EXHIBIT 1.

Kenneth Wayne Smith, Partner, was sworn in and the stipulation was signed.

Mr. Haney pointed out the financial statement was fine for a corporation but not for a partnership. When asked if Mr. Smith's accountant knew the business was a partnership rather than a corporation, Mr. Smith answered the accountant was the one who had made the change from a corporation to a partnership. Mr. Haney pointed out the financial statement had not been changed to reflect the partnership.

Discussion then focused on a previous license, which had been suspended on September 28, 1997, for no bond. It was the corporate license. Mr. Smith then explained that when the bond had become due in 1997, he had received a registered letter from the bonding company indicating the bond was going to cancel as of a certain date. The board had also received that same letter. Two or three weeks later the invoice for the bond had arrived in the mail and he renewed the bond. The bonding company never notified the board that the bond had been reinstated. He said the board investigator had had all the information regarding the bond and license since the first week of May, 1998. Mr. Gregory asked to see the information. Mr. Smith added he had never been notified by the board to renew his license. Ms. Mathias pointed out the renewal notice would have been mailed 60 days in advance. It would have been mailed in July, prior to the suspension. Mr. Smith countered he still had a bond but he did not have a license. The bond had been renewed again from September, 1998 to September, 1999.

When asked why he was changing the entity from a corporation to a partnership, Mr. Smith replied he really did not know. His accountant had told him it would be easier. His accountant had originally influenced him to become a corporation to protect everything, but he was now suggesting a partnership.

Mr. Smith detailed how, in May of 1998, Investigator Mincheff had notified him that he did not have a license as it had been suspended for no bond. He immediately came into

the board office to meet with Mr. Mincheff, bringing him both the bond and the cancelled check. He told Mr. Mincheff he had never been without a bond, he had never been non-compliant.

Mr. Gregory stated he had no problem reinstating the old license if everything as testified by Mr. Smith proved to be accurate. He asked Ms. Mathias to review the file and verify Mr. Smith's contention. Mr. Smith was asked to correct the license application to Majestic Tile Inc but Mr. Smith was not sure that the corporation was current with the Secretary of State. He said he would check with that entity and do whatever was needed to get the corporation reinstated.

MR. LINDELL MOVED TO REINSTATE LICENSE #29175, MAJESTIC TILE INC., AND TO APPROVE A LATE RENEWAL OF THAT LICENSE, PROVIDING THE BONDING COMPANY CERTIFIED THE LICENSEE HAD BEEN BONDED FOR THE PERIOD OF TIME THE LICENSE WAS DEEMED SUSPENDED FOR NO BOND AND THAT THE CORPORATION WAS CURRENT WITH THE SECRETARY OF STATE.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)

Mr. Smith was informed Ms. Mathias would be the one who would directly communicate with him on the matter.

CURB RITE - APPLICATION HEARING

Daniel Alan Hord, Owner, and George Lyford, Director of SIU, were sworn in.

The hearing was for possible violation of NRS 624.263, financial responsibility of applicant or licensee; and NRS 624.265, good character of applicant. The hearing notice was entered into the record as EXHIBIT 1.

Mr. Hord signed the stipulation.

Mr. Lyford provided the background investigation information involving Mr. Hord. When the matters had first arose, Mr. Hord met with Mr. Lyford, discussed the items listed on the application, and provided a copy of his metropolitan police department scope print-out. Based on that information, further investigation identified five different areas where Mr. Hord had been charged with crimes, had been convicted, and paid fines. One incident involved a charge of unlawful sexual intercourse with a female under the age of 16. Upon further investigation, the matter involved a charge of Mr. Hord engaging in that contact with a 15 year old girl at a college party when he was 23 years old. That was the basis of the charge. Force or intimidation was not alleged in the complaint, it the age difference. Next, there was a time period between 1984 to 1987 when Mr. Hord had a series of arrests, which indicated turmoil in his life. There had been no further instances involving him since August, 1990.

Mr. Hord said he had been employed with Gebhardt Sales as Operations Manager, Warehouse Distribution. Since January, 1998 he had left the company and had pursued getting Curb Rite off the ground. Mr. Lyford interjected there had been one charge of contracting without a license to which Mr. Hord had pled guilty to the charge and had paid the fine. The matter was now resolved. Curb Rite was involved in decorative concrete for landscaping.

MR. ZECH MOVED TO APPROVE THE LICENSE APPLICATION FOR A C5A, CURBING ONLY, WITH A LICENSE LIMIT OF \$10,000 AND A \$2,000 BOND.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)

Mr. Zech left the meeting at 11:20 a.m.

INTERVIEWPREMIERE LANDSCAPE & MAINT CO. – INTERVIEW

Ms. Potter told the Board, the matter had been tabled at the March 23, 1999 board meeting. The board had asked to meet with Steve Apodaca, Owner. Also present was Joe Jaramillo, QE, CMS and trade.

Mr. Apodaca was asked if he was aware of Mr. Jaramillo's past history and problems. He said he was. Mr. Apodaca said he was in full control of his company and that he had excellent credit. Mr. Jaramillo would not be involved in the financial aspect of the company and would not be paying the suppliers. He was the bidder, the designer, and the estimator but Mr. Apodaca would approve everything prior to submittal.

It was explained to Mr. Apodaca that the Board preferred to see him, as the owner, act as his own QE. Mr. Apodaca told the Board he had been in Reno for 10 years. He had recently returned to Las Vegas and wanted to expedite the license. He thought with a QE the licensing process would be faster.

MR. JOHNSON MOVED TO APPROVE THE LICENSE APPLICATION WITH A \$100,000 LIMIT AND A \$10,000 BOND, MR. APODACA TO TAKE THE CMS EXAM WITHIN 90 DAYS.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED. (MS. SHELTRA WAS OPPOSED)

Joe Jaramillo would temporarily act as the CMS QE for the next 90 days.

DISCIPLINARY HEARINGSX L A GROUP #41026 & #41027 – DISCIPLINARY HEARING

Keith Gregory, Legal Counsel representing X L A Group, Don Ogden, Denko Drywall, and Fred Cabara, Denko Drywall, were present.

Mr. Griffy brought the Board up to date regarding the status of the matter. Denko Drywall had sent all of their paper work to Keith Gregory and to X L A Group with their claim of \$4,228.30. To date, there had been no response from either party regarding the contested amount. A second claim by Dunn Edwards indicated they were still owed \$3,264.21. Their letter was entered into the record as EXHIBIT 3.

Atty. Gregory provided additional information, saying there was a dispute regarding everything between Denko and X L A. They agreed on the labor but disagreed on the equipment and there was a dispute on back charges. Consequently, they were in the same position they had been 30 days ago, and 30 days before that, etc. There had been no movement.

Mirage Electric was present claiming they were owed money as well. More discussion followed wherein it was established there was a \$15,000 bond still in place.

The evidentiary was closed.

MR. JOHNSON MOVED TO REVOKE LICENSE #41026 AND #41027, X L A GROUP.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

For the record, Mr. Gregory stated the total investigative case costs to date was \$5,378.76. If the licensees were to ever apply for licensure, the costs were to be

addressed at that time. Mr. Griffy pointed out there were two other licenses held by Rick Fradella. Mr. Thomas confirmed Fradella Iron Works was an active license. Mr. Thomas was asked to investigate the matter quickly and if he found the information correct to bring it before the Board, as soon as possible.

EXECUTIVE SESSION

LEGISLATIVE DISCUSSION

Ms. Grein provided the Board with a legislative update and discussion occurred on various items.

POLICY DISCUSSION

Mr. Gregory reviewed board policy and requested staff to ask for a financial statement anytime a money owing complaint was received, stating: "The very first thing is, the next knee jerk reaction is, send us a new financial statement." He pointed out some of the past problems would not have happened had a financial statement been requested.

HARRISON DEVELOPMENT CORP. #37901 - DISCIPLINARY HEARING

Zelik Fridman, President, was not present for the hearing and no one was present to represent him. The hearing had been scheduled for 1:30 p.m. and it was now 1:37 p.m.

The notice of hearing had been sent certified mail on March 24, 1999. The return receipt had been dated April 2, 1999. The hearing was for possible violation of NRS 624.3017 (1), workmanship which is not commensurate with standards in the building or construction codes adopted by the city or county in which the work is performed; NRS 624.3012 (2), willful or deliberate failure by any licensee or agent or officer thereof to pay any moneys when due; NRS 624.301 (3), failure on the part of a licensee to prosecute a construction project with diligence; NRS 624.3013 (3), failure to establish financial responsibility; and NRS 624.3013 (5) as set forth in NAC 624.700 (3) (A), failure to comply with the provisions of this chapter. The hearing notice was entered into the record as EXHIBIT 1.

Clark Thomas, Investigator, and complainants: Thomas Hunt, Nick Speranza, Marc Durand, and Kfir Levy, were sworn in.

MARC DURAND - Mr. Durand had entered into a contract with Harrison Development to build him a home for approximately \$139,000. An issue had then arisen regarding the warranty work. The warranty work involved french doors which leaked when it rained. Rain came in through only one of the doors as a balcony covered the other door. It had stained the rug and damaged the threshold and the surrounding wood. The licensee had sent a rug cleaner in to clean the carpet but the cleaner could not remove the stains. Mr. Durand had notified the licensee several times and was told his problem would be corrected. But the last time he spoke with the licensee's representative, he was told the manufacturer did not guarantee the french doors, therefore they didn't either. They were not going to fix them. To date, the doors still leaked. Mr. Thomas validated that the threshold and the doors did not come into sufficient contact to keep the weather out. There was excessive cracking in the stucco above the door on both sides allowing water to come in behind it as well. Questioning by the Board then ensued.

Thomas Hunt - Mr. Hunt said he had paid Harrison Development \$135,000 to build his home. Workmanship issues manifested themselves in the form of three major problems: the driveway was out of code, dropping 30 inches in 13 1/2 feet; the master shower leaked into the master bedroom and living room; and a sinkhole in his back yard existed because the mortar had not been properly closed and sand and rain flowed through it, causing the patio to sink. He had corrected the leak in the master shower at his own expense and in conjunction with his insurance. Mr. Hunt had met with Mr. Thomas and a representative of Harrison Development.

However, no work had been corrected since that meeting, even though Harrison Development had sent Mr. Hunt a letter acknowledging that these problems were their responsibility. Mr. Thomas, in turn, had sent Harrison Development three notices to correct but he had not received any response from them. Estimates to correct Mr. Hunt's problems ranged in the area of \$10,000. Questioning followed.

Kfir Levy - A contract had been entered into with Harrison Development to build his home. His workmanship issue was the backyard flooded due to the lack of proper drainage. He described what happened each time it rained. The licensee had promised many times to fix the problem but he had not done so. Mr. Thomas added he had sent a notice to correct but received no response from the licensee. A question and answer period followed.

Nick Speranza - Mr. Speranza had purchased two single-family residences from Harrison Development for a total purchase price of \$268,000. His complaint was the driveways were not the right height and there were supposed to be steps. The Henderson Department of Building and Safety had issued a correction notice to have the driveways corrected. To date, it had not been corrected and no one from Harrison had attempted to fix them. Mr. Speranza then detailed his efforts to contact Harrison Development. Mr. Thomas said he had sent a letter to Harrison Development but had not gotten any response. He confirmed the board had received a copy of the code violations, indicating there were 24 driveways in the subdivision that had to be removed and replaced even though the building department had signed off on the driveways.

Mr. Thomas told the board a financial statement had been requested of the licensee but none had been received, although the green signature card indicating that the request had been received had come back from the post office. Mr. Thomas then detailed a money owing dispute in the amount of \$1,634.46 in a complaint filed by Traffic Master Co. They had installed barricades for Harrison Development who had entered into an agreement with Traffic Master to pay the amount in two payments. The first payment had been made for \$1,067.23. Thereafter, Traffic Master never had contact with Harrison Development again. They were left with an outstanding balance of \$567.23.

In an effort to determine what had happened to Harrison Development, Mr. Griffy stated Zelik Fridman was still in Las Vegas operating in other corporations but he was not operating as Harrison Development.

The evidentiary was closed.

MR. CARSON MOVED TO REFER THE MATTER TO FORMAL FINDINGS OF FACT, CONCLUSIONS OF LAW.

MR. LINDELL SECONDED THE MOTION.

For the record, Mr. Gregory stated the board had accumulated a total of \$5,484.97 in investigative costs. Discussion indicated the matter would be addressed with the findings of fact and conclusions of law.

THE MOTION CARRIED.

INTERVIEW

RHODES HOMES #28530 - INTERVIEW

Mr. Gregory stated the purpose of the meeting was to discuss with Rhodes Homes the letter of April 21, 1999 regarding the status of the terms of probation and the information the State Contractor's Board was requiring. Ms. Grein added this was a status review of the pending complaints utilizing the required report from Rhodes Homes and from the board's investigator.

George Lyford, Director, SIU; William Heaton, Legal Counsel appearing for Owen Nitz and representing Rhodes Homes; Jim Rhodes, President; Rob Beville, Chief Financial Officer; and Don Purdue, Customer Service Representative, were identified.

Mr. Lyford explained he had reviewed the list of complaints with Rhodes Homes. In this manner he was able to update what complaints were in, their status, and to put the projected completion dates on the open complaints. He said there were approximately 28 still pending. All complaints had been reviewed with Don Purdue, who had a copy of them.

Mr. Heaton spoke to their tracking system, which indicated there were 32 complaints, of which 4 were pending with the board. Of the 28 Mr. Lyford identified, Mr. Heaton stated it was Rhodes Homes belief 8 of them were closed. There were 8 more complaints where the work had been completed but they were awaiting reinspections and/or closing letters. In the other 12 open complaints, Rhodes Homes believed they were current in completing the work and that they were within the time frame granted by the Board. He said Rhodes Homes was trying to meet their obligation in a timely and proper manner.

Dialogue regarding the complaints ensued and Mr. Heaton provided information regarding the money owing complaints as well as information pertaining to a bond in the amount of \$247,000 which had been obtained to bond around the liens on the Rhodes Ranch Development. The liens amounted to approximately \$160,000. Don Purdue said he had been addressing the lien issues through the forum of the homeowners association meetings.

The conversation then focused on recent personnel changes, a subsiding of complaints, and the time needed to resolve some of them. Further issues were then discussed.

Mr. Gregory closed the interview by stating the Board expected another update in its next Las Vegas meeting.

Mr. Haney left the meeting at 2:30. Mr. Griffy replaced him as the attorney of record.

DISCIPLINARY HEARINGS

THOMAS PLUMBING, SEWER & DRAIN #37901 – DISCIPLINARY HEARING

Mark Thomas, President; Allen Thomas; Beth Roberts; Leroy Ches; Janice Nobliski; Vilma Bartolome; Jim Shadrick, Code Enforcement Officer, Las Vegas Building Department; Clark Thomas, Investigator; and Jasbal Sidhu. James Guesman, Attorney for Thomas Plumbing, was also present.

The hearing was for possible violation of NRS 624.301 (1) & (3), abandonment without legal excuse; willful failure on the part of a licensee to prosecute a construction with reasonable diligence; NRS 624.3011 (1) (A), disregard of plans; NRS 624.3011 (1) (C) (1), disregard for the building laws of the state; NRS 624.3016 (1), fraudulent or deceitful acts by a contractor whereby substantial injury is sustained by another; NRS 624.3017 (1), substandard workmanship; NRS 624.3013 (5), as set forth in NAC 624.700 (3), failure to comply with the provisions of NRS 624 with a notice of correction. The hearing notice was entered into the record as EXHIBIT 1 and Mark Thomas signed the stipulation.

JANICE NOBLISKI - Ms. Nobliski indicated she owned 3 apartment buildings. She had entered into a contract with Thomas Plumbing for \$736.00 to bring three laundry rooms up to code. Mark Thomas had been paid before he finished the work. Ms. Nobliski then detailed that the city had told her the 3 laundry rooms were not up to code. She said she had never been told why. When she contracted with Allen Thomas, Mark's father, she told him she did not know what was wrong but she had asked him to bring the laundry rooms up to code. She did not know what they were going to do to bring it up to code, she just asked to have it corrected. She later found out that the work had not been performed

to code. This had been revealed when Mr. Shadrick had reinspected the laundry rooms and wrote up a violation for non-compliance. Ms. Nobliski then notified Mark Thomas who asked what was wrong with the work. Ms. Nobliski said she did not know but she asked Mr. Thomas to call Mr. Shadrick who would inform him what was wrong. However, the issue had not been resolved and Ms. Nobliski had to hire an attorney to appear in court for her. The city did not appear in court and the item had been dismissed. She had then hired a different plumber and had him bring the laundry room up to code for 2 washers rather than the three that had been originally contracted with Thomas Plumbing. The additional amount was \$350.00. The attorney's fees amounted to \$1,000. Thomas Plumbing only returned when Clark Thomas did. Investigator Thomas issued a corrective notice and Thomas Plumbing came out and cut off the vent pipe in one laundry room and left. Thereafter, they never came back.

Jim Shadrick - Mr. Shadrick said he had been dealing with Ms. Nobliski as a property owner for various housing code infractions. He told the Board there was no permit for the work Thomas Plumbing had performed. He found the work to be inferior and not to code. He notified Ms. Nobliski who was not aware of the building codes. She indicated to him she had paid a licensed contractor to bring the work up to code and she felt it was his responsibility to obtain the permit. Mr. Shadrick had then perused the bill and found no permit fees had been included. In several conversations with Mark Thomas, and specifically during one trip to the property, Mr. Shadrick had detailed what work needed to be done, but it had not been accomplished. Mr. Shadrick then outlined for the board what needed to be done to bring the property up to code.

Mr. Thomas validated he had issued three correction notices to Thomas Plumbing but Mark Thomas had responded he could not do the work because there was no permit. He pointed out that the owner had not paid the sewer connection fees and the building department wouldn't issue a building permit until the sewer fees were paid. Hereafter, much discussion followed wherein it was learned there was no written documentation to back up what work Thomas Plumbing was supposed to have performed, but Mark Thomas said he was willing to correct the problem if Ms. Nobliski paid the sewer fees.

MS. SHELTRA MOVED, IN THE MATTER OF JANICE NOBLISKI, TO CONTINUE THE HEARING FOR 30 DAYS TO ALLOW THOMAS PLUMBING TO CORRECT THE WORK TO CODE ONCE THE SEWER FEES WERE PAID.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

VILMA BARTOLOME - The Bartolomes had entered into a written contract with Mark Thomas of Thomas Plumbing in the amount of \$18,750.00 to do plumbing work in the house they were having built. The contract was dated December 24, 1997. To date, Thomas Plumbing had been paid \$7,500. The rough plumbing had been completed on or about January 16, 1998. Thereafter, Allen Thomas called to say he had completed the rough plumbing and he was owed \$7,500. Ms. Bartolome paid the amount that afternoon. She was then notified at the end of the day that the rough plumbing had failed the inspection. In fact, it failed 5 times. It was on or about March 13 when the rough plumbing passed inspection. When framing began in April, and after the foundation had been poured, it was learned there were three major pipes off the wall. Mark Thomas had been notified and he told Ms. Bartolome he would check into it or he would fix it. Thereafter, Ms. Bartolome heard nothing further from Thomas Plumbing who was now claiming it was the architect's fault. She said Allen Thomas had met with the architect before the foundation had been poured because he had noticed there were errors in the plans. That meeting had occurred on or about February 11, 1998. When asked if Thomas Plumbing had corrected the work the architect instructed them to correct, Ms. Bartolome answered: "Apparently not."

Clark Thomas explained there was a one-foot discrepancy between the plans and the actual layout on-site. The pipes on the east side of the house were approximately 14 inches out. The pipes on the west side of the house were out about the same amount in the opposite direction. And the pipes in the center of the house were out 5 feet in another direction, putting them in the middle of a hallway. Thomas Plumbing and the architect did have a meeting and it was there stated what needed to be done to correct the issues. A correction notice had been issued by the county building department saying that they needed to unbury the pipes and put them where they belonged. A change order had never been issued nor had there been a request for one asking for additional funds to move the pipes after the architect had confirmed there was an error. They had been buried over, and when the framing started it was learned the pipes had been put where two major beams were supposed to go and in the middle of the hallway.

Ms. Bartolome said she had filed the complaint with the contractors' board and waited until July before she hired another contractor to fix the problems Thomas Plumbing failed to correct.

Mark Thomas countered that at the February meeting with the architect, he was unclear as to resolution. The architect had indicated that for \$163 per hour, Mr. Thomas could come to his office and learn what room they were going to take the foot off of. Ms. Bartolome's brother, who was overseeing the project, had never indicated to Thomas Plumbing the pipes needed to be moved. He said two weeks prior to the concrete being poured he moved every pipe the brother asked him to move. Mr. Thomas said he assumed the brother had measured everything and that all had been worked out for this one major row of pipes.

More dialogue ensued wherein it was learned the project was an owner builder; the scope of the contract had been to install underground, top out and finish plumbing, water lines to be copper, drain lines to be ABS, includes gas piping, includes 100 gallon water heater, water and sewer fees, water and sewer to be stubbed 5 feet outside of building, exclusions: no water or sewer fees, no caliche demolition, no exportation of spoil, owner to provide fixtures, and includes recirculating pump for hot water; the owner was working off a set of architectural plans, rather than a set of mechanical or plumbing drawings; and Ms. Bartolome intended to sue Thomas Plumbing and Thomas Plumbing had already filed a lawsuit.

The evidentiary was closed.

MR. LINDELL MOVED, IN THE MATTER OF BERNARD AND VILMA BARTOLOME, TO DISMISS THE CHARGE OF NRS 624.3016 AND TO FIND THOMAS PLUMBING, SEWER & DRAIN, IN VIOLATION OF NRS 624.301, NRS 624.3011, AND NRS 624.3017, AND TO HOLD THE PENALTY PHASE OPEN FOR THE TWO VIOLATIONS PENDING RESULTS OF LITIGATION.

MR. JOHNSON SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Gregory left the meeting at 3:50 p.m. At that time, Mr. Johnson assumed the role of Chairman and a quorum remained to hear the remaining agenda items.

TOUCHSTONE DEVELOPMENT CORP. #43469 – DISCIPLINARY HEARING

Roger Lynn Nix, President, was not present for the hearing and no one was present to represent him.

The hearing notice had been sent certified mail on March 4, 1999, The return receipt was dated March 30, 1999. The amended notice of hearing had been sent certified mail March 25, 1999. The return receipt was dated April 8, 1999. The hearing was for possible violation of NRS 624.3017 (1), workmanship which is not commensurate with the standards of the trade in general; NRS 624.3012 (2), willful or deliberate failure

by the licensee to pay moneys when due; NRS 624.3013 (3), as set forth in NAC 624.700, failure to establish financial responsibility; NRS 624.301(2), failure to complete any construction project for the price stated. The hearing notice was entered into the record as EXHIBIT 1.

Linc Dante, Investigator; Mike Stewart, Mike Stewart Concrete; Frank and Aleena Okamura; Elizabeth Ann Baker; Mark and Ruth Hammerschmidt; Laurence Vieths; Salvatore and Georgina Gregorio; and Frank Garcia.

MIKE STEWART – Mr. Stewart indicated he had entered into a contract with Touchstone Development for materials and labor for homes in three developments in Mesquite. The licensee had paid on a regular basis until the very end when they shut down. At that time, the last few bills submitted were not paid. Mike Stewart Concrete had been owed \$18,687 but a partial payment from the bond reduced the amount to \$13,407. Nothing had been heard from Touchstone Development. Mr. Stewart believed that some of the homes in the project remained unsold. He had filed Liens on some of the properties in the different developments. The liens had been filed against the homes the concrete materials were delivered to. Some were still vacant whereas others had been sold.

Mr. Dante pointed out he had been in constant communication with Mr. Nix and Mr. Nix had no intention of returning to Nevada or to correct anything for anyone. He had an on-going project in Utah, which had recently been shut down, and through the board's efforts his Utah contractor's license had been suspended. Mr. Nix claimed he would be filing bankruptcy.

FRANK AND ALEENA OKAMURA – The Okamuras had purchased a house from Touchstone Development and had paid the licensee in full. Workmanship issues arose concerning: a block wall on the south side of the property, which was unfinished, had no concrete between some of the blocks, and several blocks were missing; and a sprinkler stop valve which did not function and did not stop water flow.

Mr. Dante validated the complaint, saying the sprinkler valve had been installed by a subcontractor. In conjunction with the Mesquite building department, he was currently in the process of getting a breakdown of each sub that had performed work in each of the projects. He knew who some of them were and intended to meet with them in Mesquite to review their responsibility in getting the items corrected. Regarding the lien filed on the Okamura house, Mr. Dante said he had entered into dialogue with Metric Roofing. Their blanket lien, filed against 9 houses, was illegal and Metric Roofing should be issuing lien releases to rectify the lien problem.

ARTHUR & RUTH HAMMERSCHMIDT – The Hammerschmidts had purchased a home from Touchstone Development on or about February 24, 1998. Mr. Hammerschmidt said his complaint involved workmanship against the licensee and Mike Stewart Concrete. It was Mr. Stewart who had performed the work. The issues were: the retaining wall was not constructed to divert the hillside drainage from entering the property; excess cracking on several areas of the back patio; the patio concrete failed in several areas exposing aggregate; and the driveway grade was too steep to allow a car access to the garage. Mesquite Vista, at their own cost, had performed corrective work to the back wall but it was unknown if the problem had been corrected as there had been no torrential rain to test it out.

Mr. Dante confirmed Mesquite Vista had not been responsible for the problem but they had corrected a whole series of houses containing the same issue: a bluff overhang. On their own initiative, Mesquite Vista had taken care of the entire problem. Mr. Dante confirmed there were a multitude of cracks on the back patio and the surface was coming off. He also validated that Mike Stewart Concrete was responsible for many of the items in that immediate area but he would be meeting with him when he addressed the subs as a whole. For the record, he stated he would be in Mesquite sometime during

the first week of May meeting with all of the subcontractors on each one of the projects. He believed things would get rectified at that point. He added that most of the subcontractors had not been paid in full. There had been no indication that Touchstone had any problems. The subs had been paid until approximately four or five months ago. Then, suddenly, everything happened. Touchstone just quit. The subcontractors who had been used repeatedly had been paid regularly as each phase had been completed. From the point of cut-off, they hadn't received anything.

ELIZABETH ANN BAKER – Ms. Baker had purchased a home from Touchstone Development on or about December 18, 1997. Again, workmanship issues had manifested themselves in the form of: concrete joints on the back patio had separated in excess of ½ ", and there were multiple areas where the concrete was coming off in chunks, exposing aggregate; the metal fence around the perimeter of the property had rusted throughout; a bird stop had not been installed on the upper left side of the front entryway; and stucco repairs had been made around the garage but they had never been repainted. She said the metal fence had never been primed. The licensee had been notified. He came to look at it and said he would fix it, but, to date, it had not been corrected. Ms. Baker then detailed her attempts to get the issues resolved.

LAURENCE VIETHS – Mr. Vieths said he had purchased a home from the licensee on or about June 5, 1998 for a purchase price of \$145,000. Mr. Vieths said the major workmanship problem he had encountered was the concrete work. A quarter section of the garage was cracked heavily and several sections of the back patio were cracking, worsening with time. A lot of aggregate was showing on the edges. He did not believe reinforcing wire had been put into the pad. Mike Stewart had been the concrete subcontractor. Mr. Dante concurred.

SALVATORE AND GEORGINA GREGORIO - The Gregorios had purchased a home from the licensee on or about October, 1998. The full contract price of \$155,000 had been paid. The problem now was liens had been filed against the property. A lien had been filed by Cabinetec Inc. in the amount of \$474.25 and by Metric Roofing for \$720.00. The liens were still on the property.

Investigator Dante indicated Metric Roofing's lien was illegal but not the one filed by Cabinetec Inc. It was a legal lien. In further discussion, Mr. Dante confirmed that the complaints filed by Millworks LLC and Creative Investment Company were valid.

FRANK GARCIA – Mr. Garcia testified he had bought a house from Touchstone Development on or about March 21, 1997. The full purchase price of \$151,000 had been paid. The workmanship issues which had arisen were: there was excessive ponding and water leaking on the patio roof; the metal perimeter fencing was rusting; the water drainage was toward the perimeter wall, which had resulted in holes under the wall footing. The licensee had been notified about the problems but had only made an effort to look at them. No correction had been attempted. More discussion followed wherein Mr. Dante validated the items.

Mr. Dante stated there was one other problem with some of the complaints. Mike Enfield Construction had performed some of the work. Enfield was an unlicensed contractor and Touchstone had been fined \$10,000 several months earlier for using him. When Mr. Dante pulled the permits he learned it was Enfield who had performed some of the items listed in the complaints. Enfield had since disappeared and was out-of-state.

The evidentiary was closed.

MR. CARSON MOVED TO FIND LICENSE #43469, TOUCHSTONE DEVELOPMENT CORP., IN VIOLATION OF ALL CHARGES AND TO REVOKE LICENSE #43469.

MS. SHELTRA SECONDED THE MOTION.

THE MOTION CARRIED.

Mr. Dante was asked to pursue the licensee if he were to ever return to Nevada and to pursue the \$10,000 fine imposed by the Board by turning it over to the Attorney General.

MAXIM ELECTRICAL CONTRACTORS INC. #45650 – DISCIPLINARY HEARING

The hearing was for possible violation of NRS 624.3018 (1) & (2), any person who has been denied a license or has had his license revoked or suspended or has been a member, partnership, or associate of any partnership, corporation, or firm or association whose application has been denied or revoked; and the performance by any partnership, corporation, firm or associate of any act or omission constituting a cause for disciplinary action. The matter was regarding the QE, Homer Lee Gordy. The license of H. L. Electric had been revoked on October 20, 1998. The hearing notice was entered into the record as EXHIBIT 1. Stanley Perry, Attorney, objected to the hearing notice being entered into the record as an evidentiary exhibit.

Lee Gordy, QE; Jonathan E. King, President; and George Lyford, Director of SIU, were sworn in. Mr. Perry was identified as legal counsel for Lee Gordy and Jon King. Mr. Perry reviewed the stipulation and stated he did not believe it was necessary. He said he was prepared to make a presentation, which he hoped would be agreeable to the Board.

Mr. Perry explained Mr. King had been a contractor for six years in Las Vegas and for many more years in New York. Mr. King did not realize that Mr. Gordy had lost a contest with respect to H L Electric. Once he became aware of that situation, Mr. Perry had been contacted and he had spoken to Mr. Knapp. Mr. Perry proposed that Mr. Gordy had a willingness to relinquish his shares of stock in Maxim Electrical. He hoped to stay on as QE, if possible, but if the Board did not feel that was appropriate, Mr. Gordy was willing to resign as QE to allow Maxim Electrical to move forward. In anticipation of that ruling, Maxim Electrical was prepared to name a new QE immediately. Mr. Perry then detailed the reasons Mr. Gordy wanted to remain as the QE and the terms the company was prepared to accept to allow Mr. Gordy to remain in his current position. He said Mr. Gordy was a fine man who did good work. Mr. Perry presented a letter of resignation to the Board, which was entered into the record as EXHIBIT 2. Discussion then focused on the previous hearing concerning H L Electric and Mr. Perry disclosed Mr. Gordy had resigned as QE of Mack Electric.

The evidentiary was closed.

MS. SHELTRA MOVED TO ACCEPT THE LETTER OF RESIGNATION PROVIDED BY HOMER L. GORDY, INDICATING HE WAS NOT QUALIFIED TO BE THE QE ON THE LICENSE, CMS OR TRADE; AND TO ALLOW JONATHAN KING 90 DAYS TO QUALIFY THE LICENSE HIMSELF OR TO ACQUIRE A DIFFERENT QE; AND TO RECOVER THE INVESTIGATIVE COSTS NOT TO EXCEED \$800.00.

MR. LINDELL SECONDED THE MOTION.

THE MOTION CARRIED.

CAPITOL ONE DBA MACK ELECTRIC #45677 – DISCIPLINARY HEARING

Mr. Johnson postponed the hearing until the next Las Vegas meeting, indicating he wanted the President of the corporation subpoenaed.

MR. LINDELL MOVED TO CLOSE THE MEETING TO THE PUBLIC.

MR. ZECH SECONDED THE MOTION.

THE MOTION CARRIED.

The meeting was then closed to the public pursuant to NRS 241.030 to discuss

financial and other data, which is confidential under NRS 624.110 (2).

As the last order of business, the amended agenda was reviewed. Discussion occurred on the following: #6, 11, 12, 15, 17, 21, 27, 33, and 34.

A motion was made, seconded and carried to approve all applications not discussed in closed session per staff recommendation.

PUBLIC COMMENT

No one from the general public was present to speak for or against any items on the agenda.

There being no further business to come before the Board, the meeting was adjourned by Vice-Chairman Johnson at 5:01p. m.

Respectfully Submitted,

Betty Willis, Recording Secretary

APPROVED:

Margi Grein, Executive Officer

Kim Gregory, Chairman

Dennis Johnson, Vice Chairman